



COURT NEWS



Chief Judge Barry Russell

2004

Jon D. Ceretto, Executive Officer/Clerk

CLERK'S OFFICE ADVANCES CUSTOMER SERVICE WITH PAPERLESS CHAPTER 13 CASE FILES

The district began imaging all documents, including claims, for chapter 13 cases filed on or after September 1, 2004. This enables registered users of webPACER to view/print electronic images of these documents from the convenience of any computer with access to the Internet. As with online chapter 7 case files, images of these documents can also be accessed by the public, at no charge, from computers located in each division. To register or learn more about webPACER, visit the web site at www.pacer.psc.uscourts.gov or call (800) 676-6856.

CLERK'S OFFICE AND ORANGE COUNTY BANKRUPTCY FORUM (OCBF) HOLD *eFile* SEMINAR

As part of the Court's current outreach program to increase usage of *eFile*, a one-hour seminar has been designed to allow practitioners, and particularly their support staffs, to become familiar with *eFile*, the District's electronic filing system.

On July 29, 2004, Clerk's Office staff members and OCBF President Donald Sieveke held an *eFile* seminar for over 125 local bankruptcy practitioners in the Santa Ana Division. Information included (1) a PowerPoint presentation, (2) the ease of registering for and using *eFile*, and (3) the benefits of "batch-filing" chapter 7 petitions. A hands-on demonstration on electronically filing a chapter 7 petition and a question and answer session with members of the Court's IT staff rounded out the seminar agenda.

Judge John E. Ryan strongly encouraged the use of *eFile* and indicated that in his courtroom, electronically-filed motions receive priority on his Relief from Stay calendar.

After learning of the many benefits and advantages, many attendees expressed enthusiasm and interest in *eFile*. They also found the presentation and facilitators to be very informative.



eFile LAUNCHES CHAPTER 13 PETITION MODULE

The Court achieved another milestone when it activated the chapter 13 module for *eFile* on September 1, 2004, enabling all registered users to electronically file chapter 13 petitions. This new module has the same user-friendly look and feel as *eFile*'s chapter 7 petition module and was introduced following a successful pilot program that began on June 14, 2004. In addition to improving customer service, *eFile* helps alleviate the impact of substantial reductions in Clerk's Office staff.

In addition to chapter 13 petitions, *eFile* currently accepts the electronic filings of chapter 7 voluntary petitions, Motions for Relief from the Automatic Stay, and Adversary Proceedings for any division in the Central District of California. *eFile* is available 24 hours a day, 7 days a week, for registered users. To find out more about *eFile* or to become a registered user, access the *eFile* home page under the "Electronic Services" subsection of the Court's web site at www.cacb.uscourts.gov or call the *eFile* Support Center at (213) 894-2365, Monday through Friday, 9:00 a.m. to 4:00 p.m., (excluding federal holidays).

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“BATCH FILING” NOW ACCOUNTS FOR 50% OF ALL eFILED CHAPTER 7 PETITIONS

More than one-half of all voluntary chapter 7 petitions electronically filed through *eFile* are now filed using the “batch filing” feature that was introduced on June 2, 2004. Using “batch filing,” attorneys can simultaneously file 2 to 10 voluntary chapter 7 petitions for the same division, and when possible, the petitions will be assigned to the same panel trustee and scheduled for

the same § 341(a) time slot. To maintain the integrity of the case assignment process, filers of batch file cases will not know the trustee to whom the case is assigned until the entire batch has been *eFiled*. This popular new convenience reduces the time, travel, and expense related to representing numerous debtors at multiple meetings.

JUDGE NAUGLE CONFIRMS CITY OF DESERT HOT SPRING'S PLAN

On Monday, July 26, 2004, Judge David N. Naugle ended a 14-year legal battle between the city of Desert Hot Springs and its creditors by confirming the city's debt payment plan. The city filed chapter 9 bankruptcy on Dec. 19, 2001, after losing a court judgment against housing developer Silver Sage Partners, Ltd. With its payment plan revolving around an expected 30- or 40-year bond, the city will be able pay its debt of more than \$10 million to its creditors, with about \$8.85 million being distributed to Silver Sage. Both city leaders and creditors expressed relief after the plan was approved. City leaders now hope that this outcome will convince more housing and business developers to invest in the city.

\$57.2 MILLION BID ENTERED TO BUYOUT RITTER RANCH

On August 5, 2004, SCC Acquisitions, Inc. entered a \$57.2 million bid to take over the 7,200-home Ritter Ranch master planned community project that is to be located west of Palmdale. Ritter Ranch Development, which filed chapter 11 on October 30, 1998, learned of the outcome after 75 rounds of bidding at the August 5 hearing held at the Central District's San Fernando Valley Division. Other bidders included Merco Group-Palmdale, LLC, which made the second highest bid at \$57.1 million, and RR Property Holdings, which dropped out of the bidding early. Gathering much media attention, over 75 individuals were in attendance in the courtroom to participate in or to witness the auction. Judge Geraldine Mund signed the order approving the purchase and sale agreement between Ritter Ranch and SCC Acquisitions, Inc. on August 6. The sale was conducted by Robin Itkin, the chapter 11 trustee for the case.

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CLERK'S OFFICE AND ORANGE COUNTY BANKRUPTCY FORUM (OCBF) HOLD eFILE SEMINAR

Approximately 60 attorneys who were not participating in the *eFile* program, registered as a result of the seminar.

In conjunction with the Inland Empire Bankruptcy Forum, a second *eFile* seminar was held on August 31, 2004 in the Riverside Division. Details are being finalized for a seminar to be held during the latter part of September 2004 in the San Fernando Valley Division.

To participate in an upcoming seminar, contact Maria Soria at (213) 894-6206.

CELL PHONES/ELECTRONIC DEVICES PROHIBITED IN COURTROOMS

Effective immediately, cell phones and all electronic devices are prohibited in all courtrooms in all divisions of the Bankruptcy Court for the Central District of California. These devices have been found to interfere with the Court's new digital recording system that is used to create the official court record and can bring hearings to an abrupt halt. Therefore, while in the courtroom, cell phone, pagers, computers, and all other electronic devices must be turned off. The “silent” or “vibrate” modes on these devices are also prohibited as they create as much, if not more, interference.

IT'S ALMOST TEE TIME!



On October 29, 2004, the Debtor Assistance Project will host its 2nd Annual Charity Golf Tournament to benefit Public Counsel. The deadline to register for this worthy event is September 30, 2004. Detailed information can be found at <www.charitygolfonline.com>. Click on Tournament Search and then the tournament date. For tee box sponsorship or donation of prizes, e-mail Tim Yoo at <tyoo@rdwlawcorp.com>.



Court Statistics January - August 2004

	2004 ANNUAL ESTIMATE	2003 TOTAL	% CHANGE 04 vs 03
Case Commencement:			
Chapter 7	56,068	65,227	-14%
Chapter 11	343	371	-8%
Chapter 13	5,609	10,088	-44%
*TOTAL	62,020	75,686	-18%
Complaints:			
Dischargeability	1,613	2,055	-22%
Recover Money/Property	4,454	3,712	20%
All Other	497	401	24%
TOTAL	6,564	6,168	6%
Motions:			
Personal Property	4,142	6,346	-35%
Real Property	3,851	6,525	-41%
Unlawful Detainer	648	883	-27%
Other RFS	439	504	-13%
Dismiss	8,294	9,916	-16%
Dismiss/Convert	202	241	-16%
Fees, Employment, Expenses	8,768	11,196	-22%
TOTAL	26,344	35,611	-26%

National Filing Trends	12-Month period ending 06/2004	12-Month period ending 06/2003	% Change 04 vs 03
Chapter 7	1,167,101	1,165,993	0.1%
Chapter 11	11,048	10,602	4.2%
Chapter 13	457,171	472,811	-3.3%
*TOTAL	1,635,320	1,649,406	-0.9%

*Excludes Chapter 9, Chapter 12, and Section 304 filings

20 Largest and Other Cases of Interest Filed in the Last 24 Months

	Debtor Name	Case Number	Date Filed	Chapter	Asset Level in Millions	Liability Level in Millions	Last Milestone
Largest Cases (over \$100 M Assets)	Consolidated Freightways Corporation of Delaware	RS-02-24284-MG	09/03/02	11	\$1,110	\$2,211	Disclosure Statement file 8/18/04. Conf. Hearing set 10/20/04.
	USA Sogo Inc.	LA-03-18660-SB	03/31/03	7	\$177	\$314	Order granting employment of professional
	Imperial Credit Industries, Inc.	LA-03-28969-ES	07/17/03	11	\$169	\$291	Status hearing continued to 10/7/04
	Vista Hospital Systems, Inc.	RS-03-18901-DN	06/10/03	11	\$142	\$132	30 adversaries filed from 6/29/04 to 8/10/04
	InterDent Service Corporation	SA-03-13594-JR	05/09/03	11	\$139	\$348	Status Report filed on 8/11/04 (post conf.)
	Fujita Corporation	LA-04-27072-ES	08/05/04	11	\$5	\$111	Ntc of filing settlement agreement
	Franchise Pictures, LLC	LA-04-27996-MT	08/18/04	11	\$0-50	Over \$100	New filing
	Sun World International, Inc.	RS-03-11370-DN	01/30/03	11	\$138	\$121	Motion to extend period for filing a plan; hearing set on 9/17/04.
High Profile Cases*	OAN Services, Inc.	ND-02-13720-RR	12/17/02	11	\$94	\$124	Interim and Final fees hearing scheduled for 10/6/04
	Illuminations.com, Inc.	LA-04-10427-SB	01/12/04	11	\$52	\$55	Emergency motion for protective order hearing on August 20, 2004.
	QualPro Corporation	SA-02-19719-JB	12/18/02	11	\$47	\$218	Order to consolidate related cases; Conf. Hrg set 9/28/04
	Spectrum Restaurant Group, Inc.	SA-03-15911-RA	08/06/03	11	\$39	\$107	Order confirming 6th Joint Ch 11 Plan on 8/6/04
	Granada Hills Community Hospital	SV-02-20579-AG	11/26/02	11	\$35	\$32	Appeal filed on 3-18-04 for the selling of property to LAUSD was voluntarily dismissed on 8/2/04.
	Strouds Acquisition Corporation	LA-03-23620-ER	05/20/03	11	\$27	\$36	Status Conference cont. to 10/02/04
	Clothestime Stores, Inc.	SA-03-14555-RA	06/13/03	7	\$15	\$49	Relief from stay hearing set for 8/31/04 to permit advancement of defense costs
	Aaron Tonken	LA-04-12883-EC	02/10/04	7	\$1-10	\$10-50	Notice of appeal of orders
	Checkmate Staffing, Inc.	SA-03-19318-JR	12/29/03	11	\$22	\$31	Order to extend time to file plan to 1/3/05
	Santa Paula Memorial Hospital	ND-03-13454-RR	12/22/03	11	\$18	\$6	Opposition filed by Unsecured Cred. Committee on request by debtor to enter into agreement with Kare Healthcare.
	Sega Gameworks LLC	LA-04-15404-BB	03/09/04	11	\$26	\$36	ORDER granting debtor's motion to approve compromise of controversy with Centro Ybor Associates, LLC
	Jeffrey and Nan Bennett	RS-03-26484-MG	11/14/03	11	\$21	\$27	Chapter 11 Plan Confirmed; hearing set for 8/26/04

*Based on a combination of Asset and Liability Levels, Number of creditors, high activity, and/or name recognition

Court News

is published by the United States Bankruptcy Court for the Central District of California as an informational service for the practitioners and public of our Court.

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Suggestions and comments are always welcome.
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